



County of Los Angeles
Department of Public Social Services

Bryce Yokomizo
Director

November 18, 2003

The Honorable Board of Supervisors
County of Los Angeles
500 West Temple Street
383 Kenneth Hahn Hall of Administration
Los Angeles, California 90012

Dear Supervisors:

**RECOMMENDATION TO AUTHORIZE THE EXECUTION OF
AMENDMENT NUMBER SEVEN TO THE LEADER INFORMATION TECHNOLOGY
AGREEMENT NUMBER 68587 WITH UNISYS CORPORATION TO IMPLEMENT
QUARTERLY REPORTING MODIFICATIONS AND ELECTRONIC BENEFIT
TRANSFER (EBT) FACILITIES MANAGEMENT/OPERATIONS (FM/O)
(ALL DISTRICTS – 3 VOTES)**

**JOINT RECOMMENDATION WITH THE CHIEF INFORMATION OFFICER THAT
YOUR BOARD:**

Approve, and instruct the Chair to sign upon receipt of State and federal approvals, the attached Amendment Number Seven to County Agreement Number 68587 with Unisys Corporation (Unisys) to increase the Total Maximum Contract Sum by \$9,382,569: (i) to initiate and complete the Quarterly Reporting Modifications and testing of the LEADER System Software, (ii) to provide additional disk storage space at the Central Site to support Quarterly Reporting, and (iii) to provide additional Central Site Facilities Management/Operations (FM/O) processing resources required to implement and support Electronic Benefit Transfer (EBT) processing commencing January 1, 2004 and for the remainder of the Initial Term of the LEADER Agreement that ends on April 30, 2005. This Amendment is contingent upon receipt of State and federal approvals.

This Amendment will increase the Total Maximum Contract Sum from \$171,511,019 to \$180,893,588. The additional \$9,382,569 will be subvented by State and federal revenue in the amount of \$7,680,686. The Net County Cost (NCC) for FY 2003-04 is \$1,562,951 and is included in the FY 2003-04 Adopted Budget. The NCC for FY 2004-05 is \$138,932 and will be included in the Department's FY 04-05 Budget Request.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this recommended action is: (i) to modify the LEADER Agreement to incorporate major application software modifications to conform to State and federal mandates which will bring the County into compliance with new Food Stamps, CalWORKs, and Refugee Cash Assistance Quarterly Reporting requirements, and to apply the new Quarterly Reporting requirements to General Relief, (ii) to provide Quarterly Reporting disk storage space at the Central Site, and (iii) to increase the ongoing Central Site FM/O processing resources to support the EBT Modifications, commencing January 1, 2004 and for the remainder of the Initial Term of the LEADER Agreement that ends on April 30, 2005. The EBT Modifications were approved by your Board on August 6, 2002 in Amendment Number Five of the LEADER Agreement.

Quarterly Reporting

The major Quarterly Reporting Modifications tasks include determining LEADER System requirements, developing design specifications, coding and unit testing all the programs, system and regression testing the LEADER System after the Quarterly Reporting Modifications have been completed, and implementation of the Quarterly Reporting Modifications.

Technology

Additional LEADER System Central Site disk storage space and tape cartridges will be required to support the Quarterly Reporting Modifications.

Electronic Benefit Transfer (EBT) Facilities Management/Operations

An increase in ongoing Facilities Management/Operations (FM/O) is required to support the EBT Modifications that were approved by your Board in Amendment Number Five on August 6, 2002. In our Board Letter for Amendment Number Five, we informed your Board that the cost for such increased EBT FM/O were estimated at \$1,428,898 through the Initial Term of the LEADER Agreement, and would require a contract amendment to increase the Total Maximum Contract Sum and to update certain schedules to the LEADER Agreement. This Amendment Number Seven includes the increased EBT FM/O costs of \$1,211,398, which represents a \$217,500 decrease from the previously estimated cost.

Implementation of Strategic Plan Goals

The recommendation is consistent with the principles of County Strategic Plan Goal #1 (Service Excellence) to provide the public with easy access to quality information and services that are both beneficial and responsive. In addition, this Amendment is consistent with DPSS' objectives for increasing the efficiency and effectiveness of departmental programs through expanded information technology and communications.

Expansion of the LEADER System is part of the DPSS Business Automation Plan.

FISCAL IMPACT/FINANCING

Amendment Number Seven increases the current Total Maximum Contract Sum of the LEADER Agreement from \$171,511,019 to \$180,893,588.

Costs for Fiscal Year 2003-04

The total estimated costs for Amendment Number Seven in FY 2003-04 are \$8,625,445. These costs will be financed using \$7,062,494 State and federal revenue and \$1,562,951 NCC. Sufficient funding is included in the FY 2003-04 Adopted Budget.

Costs for Fiscal Year 2004-05

The total estimated costs for Amendment Number Seven in FY 2004-05 are \$757,124. These costs will be financed using \$618,192 State and federal revenue and \$138,932 NCC. Sufficient funding will be included in the Department's FY 2004-05 Budget Request.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The LEADER Information Technology Agreement Number 68587 between the County and Unisys was approved by your Board on September 12, 1995. This Amendment is contingent upon receipt of State and federal approval.

The Statement of Work (Exhibit A) to this Amendment contains the detail to design, develop and implement the Quarterly Reporting Modifications, and the Amendment includes a breakdown of the costs that total the requested \$9,382,569. All work will be warranted by Unisys through April 30, 2005, the end of the Initial Term of the LEADER Agreement. Payment to Unisys for the work and services for the Quarterly Reporting Modifications will be made upon completion and acceptance of each deliverable at the price set for each deliverable less a 15 percent withhold. All withholds will be paid after

County approval of all deliverables and subdeliverables of new Task 14.0, and after all software modifications have performed in substantial compliance with County-approved specifications for a period of thirty (30) consecutive days following installation of the software modifications in the LEADER System production environment.

There will be a one-time payment of \$23,979 for additional LEADER System enterprise server disk storage space and tape cartridges required at the Central Site to support the Quarterly Reporting Modifications during the Initial Term and any Extended Term of the LEADER Agreement.

As we advised you in our Board Letter for LEADER Amendment Number Five, which was approved by your Board on August 6, 2002, there would be an increase in ongoing costs for additional Central Site FM/O processing resources to support the EBT Modifications for the remainder of the Initial Term of the LEADER Agreement. In our Board Letter for Amendment Number Five, we informed your Board that the costs for such increased EBT FM/O were estimated at \$1,428,898 through the Initial Term of the LEADER Agreement, and would require a contract amendment to increase the Total Maximum Contract Sum and to update certain schedules of the LEADER Agreement. Amendment Number Seven includes additional Central Site FM/O processing resources for EBT and increased EBT FM/O costs of \$1,211,398, which represent a \$217,500 decrease from the previously estimated costs. These costs will be subvented by State and federal revenue.

This Amendment was negotiated and prepared by DPSS staff and reviewed and approved as to form by County Counsel. As with the existing LEADER Agreement and its previous amendments, outside counsel, Mitchell, Silberberg & Knupp LLP, also reviewed and commented on the Amendment in accordance with your Board's policy regarding technology contracts. Additionally, State and federal stakeholders were involved in the review and clearance process and their comments have been incorporated.

This is not a Prop A contract and accordingly is exempt from the requirements of the Living Wage Ordinance.

Amendment Provisions

Following is a summary of the major provisions of Amendment Number Seven:

- **Quarterly Reporting:** This Amendment provides \$8,147,192 to modify the LEADER System Software to comply with State and federal mandates which require the State of California Department of Social Services to replace the current Monthly Reporting/Retropective Budgeting system with a Quarterly Reporting/Prospective Budgeting system. Quarterly Reporting will apply to participants of the CalWORKs, Food Stamps, Refugee Cash Assistance, and General Relief programs.
- **Technology:** This Amendment provides \$23,979 to install, operate, maintain and support equipment and other items necessary to provide additional LEADER System enterprise server disk storage space and tape cartridges at the Central Site for the growth in disk utilization resulting from the implementation of Quarterly Reporting Modifications.
- **Facilities Management/Operations (FM/O) for EBT:** This Amendment provides \$1,211,398 to increase ongoing Central Site FM/O processing resources to support the EBT Modifications approved by your Board on August 6, 2002 in Amendment Number Five to the LEADER Agreement. At that time, the costs for these additional ongoing FM/O processing resources were initially estimated to be \$1,428,898; however, these costs have subsequently been reduced by \$217,500 to \$1,211,398, due to a reduction in labor costs associated with the installation of certain software for EBT.

CONTRACTING PROCESS

Unisys was selected via a competitive solicitation. On September 12, 1995, your Board awarded a 7.5-year contract (with the option for two additional years) to Unisys to provide an automated welfare system within 42 months and to operate the system for an additional 48 months. Amendment Number Three and Amendment Number Four approved by your Board extended the 7.5-year contract term by two years to April 30, 2005, making the Initial Term of the LEADER Agreement nine (9) years and six (6) months.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The execution of Amendment Number Seven augments the LEADER System by enhancing services to the participant population.

CONCLUSION

Upon receipt of State and federal approvals and funding of this Amendment, DPSS will notify the Executive Officer, Board of Supervisors, and request the return of three (3) original signed copies of this Amendment and one (1) adopted stamped Board Letter to the Department of Public Social Services.

Respectfully submitted,

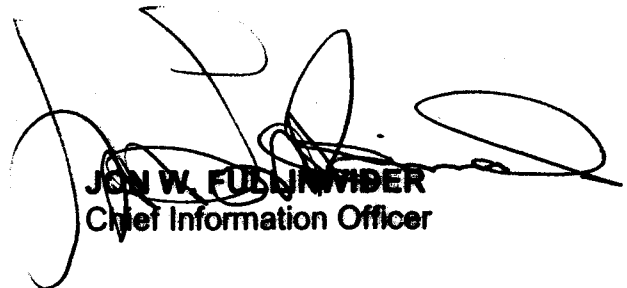


BRYCE YOKOMIZO
Director

BY/JWF:pcr

Attachments

- c: Executive Officer, Board of Supervisors
 Chief Administrative Officer
 County Counsel
 Auditor-Controller
 Chair, Information Systems Commission



JON W. FULMIDER
Chief Information Officer

**AMENDMENT NUMBER SEVEN
TO
INFORMATION TECHNOLOGY AGREEMENT**

**BY AND BETWEEN
COUNTY OF LOS ANGELES**

AND

UNISYS CORPORATION

FOR A LOS ANGELES

ELIGIBILITY, AUTOMATED DETERMINATION, EVALUATION AND

REPORTING SYSTEM ("LEADER SYSTEM")

(COUNTY OF LOS ANGELES AGREEMENT NUMBER 68587)

September 2003

AMENDMENT NUMBER SEVEN TO
COUNTY OF LOS ANGELES AGREEMENT NUMBER 68587

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EXHIBITS

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AMENDMENT NUMBER SEVEN TO
COUNTY OF LOS ANGELES AGREEMENT NUMBER 68587

This Amendment Number Seven is entered into by and between the County of Los Angeles (hereafter "COUNTY") and Unisys Corporation (hereafter "CONTRACTOR"), and amends that certain COUNTY Agreement Number 68587, dated September 12, 1995, including Amendment Number One, dated June 17, 1997, Amendment Number Two, dated July 1, 1997, Amendment Number Three, dated March 22, 1999, Amendment Number Four, dated October 10, 2000, Amendment Number Five, dated August 6, 2002, Amendment Number Six, dated May 20, 2003, Modification Notice Number One, dated February 13, 1996, Modification Notice Number Two, dated February 10, 1998, Modification Notice Number Three, dated April 8, 1999, Modification Notice Number Four, dated September 4, 2001, Modification Notice Number Five, dated April 30, 2002, Modification Notice Number Six, dated December 3, 2002, (hereafter collectively "Agreement").

WHEREAS, in accordance with the terms and conditions of Agreement, CONTRACTOR has been performing maintenance, modifications, and enhancements for the Los Angeles Eligibility, Automated Determination, Evaluation and Reporting System (hereafter "LEADER System") which commenced during the Pilot Office Test;

WHEREAS, COUNTY desires to modify the LEADER System Software to include the Quarterly Reporting Modifications as defined herein in Subparagraph 3.46 (Quarterly Reporting Modifications);

WHEREAS, implementation of Quarterly Reporting requires LEADER System Quarterly Reporting disk storage space for the Central Site;

WHEREAS, implementation of Electronic Benefit Transfer (EBT) Modifications, as authorized in Amendment Number Five, requires additional Central Site Facilities Management/Operations processing resources commencing January 1, 2004 and for the remainder of the Initial Term of the Agreement; and

WHEREAS, the parties desire to amend the Agreement.

NOW, THEREFORE, pursuant to Subparagraph 49.6 of Paragraph 49.0 (Modification Notices and Amendments) of the Agreement, COUNTY and CONTRACTOR agree to amend the Agreement as follows:

1. Paragraph 3.0 (Definitions) is amended by adding thereto the following Subparagraph 3.46:

"3.46 Quarterly Reporting Modifications

Those modifications and enhancements made to the LEADER System Software to incorporate the Quarterly Reporting requirements. An overview of these requirements is provided in Attachment 18 (Quarterly Reporting Modifications Requirements) to Exhibit A (Statement of Work)."

2. Subparagraph 3.8 (Development Modifications) of Paragraph 3.0 (Definitions) is amended to read:

“3.8 Development Modifications

Development Modifications include: (1) modifications and/or enhancements to the Pre-existing Application Software made in accordance with Task 2.0 (LEADER System Development) of Exhibit A (Statement of Work); (2) Welfare Reform Modifications; (3) the Single Index subsystem developed pursuant to Subtask 8.5 (Develop a Single Index for LEADER) of Exhibit A (Statement of Work); (4) the Bank Interface subsystem developed pursuant to Subtask 8.6 (Develop a Bank Interface for LEADER) of Exhibit A (Statement of Work); (5) EBT Modifications; (6) Major Modifications; and (7) Quarterly Reporting Modifications.”

3. Subparagraph 4.6 (Copies of LEADER System Software) of Paragraph 4.0 (Ownership and Disposition of LEADER System) is amended to read:

“4.6 Copies of LEADER System Software

CONTRACTOR shall provide COUNTY with a complete copy of LEADER System Software and Software Documentation:

- A. at conclusion of the Acceptance Test;
- B. at conclusion of the Live Test of the Multi-Host Partitioned Database Architecture, except that CONTRACTOR shall provide COUNTY with updated LEADER System Software Documentation as described in Subtask 11.9 (Update the LEADER System Software Documentation) of Exhibit A (Statement of Work);
- C. at the end of Countywide Implementation and prior to the payment of funds withheld pursuant to Subparagraph 7.4;
- D. at the conclusion of the LEADER EBT Pilot Test Phase and prior to payment of funds withheld pursuant to Subparagraph 7.4.5;
- E. at conclusion of the System and Regression Test for the Major Modifications and prior to payment of funds withheld pursuant to Subparagraph 7.4.6;
- F. at conclusion of the System and Regression Test for the Quarterly Reporting Modifications and prior to payment of funds withheld pursuant to Subparagraph 7.4.7; and
- G. upon termination of this Agreement.”

4. Subparagraph 6.1.1.1 of Subparagraph 6.1.1 (Total Maximum Contract Sum) of Subparagraph 6.1 (Fixed Price Contract Sums) of Paragraph 6.0 (Contract Sum) is amended to read:

“6.1.1.1 The Total Maximum Contract Sum (CONTRACTOR’s total designated consideration for furnishing all goods and services required hereunder, as determined by aggregating the Maximum Contract Sums specified in Subparagraphs 6.1.2, 6.1.3.1, 6.1.3.2, 6.1.3.3, 6.1.3.4, 6.1.4.1, 6.1.5.1, 6.1.6, 6.1.7, 6.1.8, 6.1.9, 6.1.10, 6.1.11, 6.1.12, 6.1.13, 6.1.14, 6.1.15, and 6.1.16) for this Agreement during the Initial Term shall not exceed One Hundred and Eighty Million Eight Hundred and Ninety Three Thousand Five Hundred and Eighty-Seven Dollars and Eighty-Three Cents (\$180,893,587.83)).”

5. Subparagraph 6.1 (Fixed Price Contract Sums) of Paragraph 6.0 (Contract Sum) is amended by adding thereto the following Subparagraph 6.1.14 (Quarterly Reporting Modifications), Subparagraph 6.1.15 (LEADER System Quarterly Reporting Disk Storage Space for the Central Site), and Subparagraph 6.1.16 (Electronic Benefit Payment (EBT) Facilities Management/Operations):

“6.1.14 Quarterly Reporting Modifications

The Maximum Contract Sum for the Quarterly Reporting Modifications (CONTRACTOR’s total designated consideration for the planning, design, coding, testing and installation in the LEADER System production environment, of the Quarterly Reporting Modifications to be provided pursuant to Task 14.0 (Quarterly Reporting Modifications and Additional Central Site Processing Resources to Implement and Support EBT) of Exhibit A (Statement of Work)) for this Agreement shall not exceed Eight Million One Hundred Forty Seven Thousand One Hundred Ninety Two Dollars and No Cents (\$8,147,192.00) payable in accordance with the provisions of Subparagraph 7.4.7 (Invoicing, Payment and Withholds for the Quarterly Reporting Modifications Deliverables, for LEADER System Quarterly Reporting Disk Storage Space for the Central Site, and for Electronic Benefit Transfer (EBT) Facilities Maintenance/Operations).

6.1.15 LEADER System Quarterly Reporting Disk Storage Space for the Central Site

The Maximum Contract Sum for the LEADER System Quarterly Reporting disk storage space for the Central Site (CONTRACTOR’s total designated consideration for furnishing all goods and services required to provide, install, operate, maintain and support additional disk storage space and tape cartridges at the Central Site through the Initial Term and any Extended Term of this Agreement as shown on Schedule V (LEADER System Quarterly Reporting Disk Storage Space for Central Site Schedule of Payments) of Exhibit G (Schedule of Payments)) to be installed pursuant to this Amendment Number Seven shall not exceed Twenty Three Thousand Nine Hundred Seventy Nine Dollars and No Cents (\$23,979.00) payable in accordance with the provisions of Subparagraph

7.4.7 (Invoicing, Payment and Withholds for the Quarterly Reporting Modifications Deliverables, for LEADER System Quarterly Reporting Disk Storage Space for the Central Site, and for Electronic Benefit Transfer (EBT) Facilities Management/Operations).

6.1.16 Electronic Benefit Transfer (EBT) Facilities Management/Operations

The Maximum Contract Sum for Facilities Management/Operations for EBT (CONTRACTOR's total designated consideration for the ongoing Central Site processing resources required to implement and support EBT processing, commencing January 1, 2004 and for the remainder of the Initial Term of this Agreement as shown on Schedule W (Electronic Benefit Transfer Facilities Management/Operations Schedule of Payments) of Exhibit G (Schedule of Payments)) during the Initial Term shall not exceed One Million Two Hundred Eleven Thousand Three Hundred Ninety Eight Dollars and Eight Cents (\$1,211,398.08) payable in accordance with the provisions of Subparagraph 7.4.7 (Invoicing, Payment and Withholds for the Quarterly Reporting Modifications Deliverables, for LEADER System Quarterly Reporting Disk Storage Space for the Central Site, and for Electronic Benefit Transfer (EBT) Facilities Management/Operations)."

6. Subparagraph 7.4 (Invoicing, Payment and Withholds for Deliverables) of Paragraph 7.0 (Invoices and Payments) is amended by adding thereto the following Subparagraph 7.4.7 (Invoicing, Payment and Withholds for the Quarterly Reporting Modifications Deliverables, for LEADER System Quarterly Reporting Disk Storage Space for the Central Site, and for Electronic Benefit Transfer (EBT) Facilities Management/Operations):

"7.4.7 Invoicing, Payment and Withholds for the Quarterly Reporting Modifications Deliverables, for LEADER System Quarterly Reporting Disk Storage Space for the Central Site, and for Electronic Benefit Transfer (EBT) Facilities Management/Operations:

CONTRACTOR shall invoice COUNTY and COUNTY will authorize payment of the full price less a fifteen percent (15%) withhold (e.g., eighty-five percent (85%)) as provided in Schedule U (Quarterly Reporting Modifications Deliverables Schedule of Payments) of Exhibit G (Schedule of Payments) for each Deliverable or Subdeliverable to be furnished under Task 14.0 (Quarterly Reporting Modifications and Additional Central Site Processing Resources to Implement and Support EBT) in Section 4.0 (LEADER Tasks and Deliverables) of Exhibit A (Statement of Work), upon receipt and written approval of such Deliverable or Subdeliverable and upon receipt and written approval of each invoice therefor, as provided in Subparagraphs 11.3 and 11.4 of this Agreement.

Upon completion and COUNTY approval of all Deliverables and Subdeliverables for Task 14.0 and after CONTRACTOR's Task 14.0

modifications to the LEADER System Software perform in substantial compliance with the COUNTY-approved Specifications for a period of thirty (30) consecutive Days following installation of the Quarterly Reporting Modifications into the LEADER System production environment, CONTRACTOR shall submit one (1) invoice for payment of Task 14.0 withholds and COUNTY will make one (1) payment for all withholds for Task 14.0.

In accordance with Schedule V (LEADER System Quarterly Reporting Disk Storage Space for Central Site Schedule of Payments) of Exhibit G (Schedule of Payments), CONTRACTOR shall, upon COUNTY's written approval of Subdeliverable 14.6 (LEADER System Quarterly Reporting Disk Storage Space for the Central Site), submit one (1) invoice to COUNTY and COUNTY will make one (1) payment to CONTRACTOR for the LEADER System Quarterly Reporting disk storage space for the Central Site upon written approval of such invoice, as provided in Subparagraphs 11.3 and 11.4 of this Agreement. CONTRACTOR shall submit such invoice in the month following COUNTY approval of Subdeliverable 14.6 (LEADER System Quarterly Reporting Disk Storage Space for the Central Site). All of the hardware shown on Schedule V (LEADER System Quarterly Reporting Disk Storage Space for the Central Site Schedule of Payments) of Exhibit G (Schedule of Payments) shall be warranted by CONTRACTOR in accordance with Paragraph 13.0 (Warranties) during the Initial Term and any Extended Term of this Agreement.

In accordance with Schedule W (Electronic Benefit Transfer Facilities Management/Operations Schedule of Payments) of Exhibit G (Schedule of Payments), CONTRACTOR shall, commencing January 2004 and through the remainder of the Initial Term of this Agreement, submit monthly invoices, in arrears, to COUNTY and COUNTY will make monthly payments to CONTRACTOR for additional Central Site Facilities Management/Operations for EBT upon written approval of monthly invoices, as provided in Subparagraph 11.4 of this Agreement."

7. Exhibit A (Statement of Work) is amended by adding thereto pages A-68.58 through A-68.65, each page dated September 2003, attached hereto and incorporated herein by reference.
8. Attachment 4 (Project Assumptions) of Exhibit A (Statement of Work) is amended by adding thereto pages A-102.17 through A-102.19, each page dated September 2003, attached hereto and incorporated herein by reference.
9. Exhibit A (Statement of Work) is amended by adding thereto Attachment 18 (Amendment Number Seven Quarterly Reporting Modifications Requirements), pages A-179 through A-180, each page dated September 2003, attached hereto and incorporated herein by reference.

10. Exhibit A (Statement of Work) is amended by adding thereto Attachment 19 (Quarterly Reporting Modifications Requirements Specifications Document Format), page A-181, dated September 2003, attached hereto and incorporated herein by reference.
11. Exhibit A (Statement of Work) is amended by adding thereto Attachment 20 (Quarterly Reporting Modifications Design Specifications Document Format), pages A-182 through A-183, each page dated September 2003, attached hereto and incorporated herein by reference.
12. Exhibit G (Schedule of Payments) is amended by adding thereto Schedule U (Quarterly Reporting Modifications Deliverables Schedule of Payments), page G-51 dated September 2003, attached hereto and incorporated herein by reference.
13. Exhibit G (Schedule of Payments) is amended by adding thereto Schedule V (LEADER System Quarterly Reporting Disk Storage Space for the Central Site Schedule of Payments), page G-52, dated September 2003, attached hereto and incorporated herein by reference.
14. Exhibit G (Schedule of Payments) is amended by adding thereto Schedule W (Electronic Benefit Transfer Facilities Management/Operations Schedule of Payments), page G-53, dated September 2003, attached hereto and incorporated herein by reference.
15. CONTRACTOR represents and warrants that the person executing this Amendment Number Seven for CONTRACTOR is an authorized agent who has actual authority to bind CONTRACTOR to each and every term, condition and obligation of this Amendment Number Seven and that all requirements of CONTRACTOR have been fulfilled to provide such actual authority.
16. This Amendment Number Seven shall be effective only after COUNTY has received written notice that the Federal and State governments have approved this Amendment Number Seven.
17. Other Provisions of Agreement.

Except as provided in this Amendment, all other terms and conditions of Agreement shall remain in full force and effect.

AMENDMENT NUMBER SEVEN TO

COUNTY OF LOS ANGELES AGREEMENT NUMBER 68587

IN WITNESS WHEREOF, the County of Los Angeles Board of Supervisors has caused this Amendment Number Seven to COUNTY Agreement Number 68587 to be subscribed by its Chair and the seal of such Board to be affixed and attested by the Executive Officer and Clerk thereof, and CONTRACTOR has caused this Amendment Number Seven to be subscribed on its behalf by its duly authorized officer, this ____ day of _____, 2003.

COUNTY OF LOS ANGELES

By: _____

Chair, Board of Supervisors

ATTEST:

Executive Officer
Board of Supervisors of the
County of Los Angeles

By: _____
Deputy

UNISYS CORPORATION

By: Robert W. Johnson

Name: Robert W. Johnson

Title: V.P. & G.M.

APPROVED AS TO FORM:
LLOYD W. PELLMAN

County Counsel

By: James Kashian
James Kashian
Principal Deputy County Counsel

**AMENDMENT NUMBER SEVEN
TO LEADER AGREEMENT WITH UNISYS
(COUNTY OF LOS ANGELES AGREEMENT NUMBER 68587)**

EXHIBIT A - STATEMENT OF WORK

**A4.14.0 TASK 14.0 – QUARTERLY REPORTING MODIFICATIONS
AND ADDITIONAL CENTRAL SITE PROCESSING RESOURCES TO
IMPLEMENT AND SUPPORT EBT**

DESCRIPTION

CONTRACTOR's general scope of work to be performed in Task 14.0 shall include:

- The definition, design, coding, unit testing, system and regression testing of all modifications and enhancements to incorporate all the requirements identified in Attachment 18 (Quarterly Reporting Modifications Requirements) into the LEADER System Software.
- The update of the LEADER Project Control Document (PCD).
- The update of all Software Documentation defined in Subparagraph 3.29 (Software Documentation) of Paragraph 3.0 (Definitions) of the Base Agreement.
- The additional LEADER System Quarterly Reporting disk storage space and tape cartridges for the Central Site.
- The additional Central Site Facilities Management/Operations processing resources, including, without limitation, all disk and tape storage, file transfer protocol servers, network devices, and labor, required to implement and support EBT.

A4.14.0.1 FORMAL TRANSMITTAL OF DELIVERABLES

CONTRACTOR shall submit to COUNTY's Project Director an original and nine (9) hard copies of each Task 14.0 deliverable and/or subdeliverable, (except Subdeliverable 14.4 which shall be delivered in electronic format only), including all required attachments. CONTRACTOR shall also submit each deliverable and/or subdeliverable, including all required attachments, to COUNTY in a machine-readable (or electronic) format. Each deliverable and/or subdeliverable submitted to COUNTY for review shall

**AMENDMENT NUMBER SEVEN
TO LEADER AGREEMENT WITH UNISYS
(COUNTY OF LOS ANGELES AGREEMENT NUMBER 68587)**

EXHIBIT A - STATEMENT OF WORK

have a formal transmittal letter from CONTRACTOR's Project Manager and shall be addressed to COUNTY's Project Director. Unless otherwise stated herein, work on subsequent deliverables and/or subdeliverables may proceed prior to formal COUNTY approval of the preceding deliverables and/or subdeliverables. CONTRACTOR's Project Manager shall be responsible for appropriate quality control of deliverables and/or subdeliverables.

**A4.14.1 SUBTASK 14.1 — DEVELOP A PROJECT CONTROL
DOCUMENT FOR TASK 14.0**

CONTRACTOR shall develop an update to the LEADER Project Control Document (PCD) that fully documents the scope of work, schedule, and work plan, staff loading chart and organizational chart required to complete the Task and Subtasks set forth in this Task 14.0 to provide and implement Quarterly Reporting Modifications and other requirements, in accordance with Statement of Work, Subtask 1.1 (Develop Project Control Document), and the format in Attachment 1 (Project Control Document Format and Description).

**A4.14.1.1 SUBDELIVERABLE 14.1 — PROJECT CONTROL DOCUMENT
FOR TASK 14.0**

CONTRACTOR shall complete Subtask 14.1 and deliver the PCD to COUNTY's Project Director within ten (10) Working Days following the effective date of this Amendment Number Seven.

**A4.14.2 SUBTASK 14.2 -- VALIDATE THE QUARTERLY REPORTING
MODIFICATIONS REQUIREMENTS FOR THE LEADER SYSTEM**

CONTRACTOR shall conduct a series of Joint Application Development (JAD) sessions to define, validate, and document the requirements for Quarterly Reporting

**AMENDMENT NUMBER SEVEN
TO LEADER AGREEMENT WITH UNISYS
(COUNTY OF LOS ANGELES AGREEMENT NUMBER 68587)**

EXHIBIT A - STATEMENT OF WORK

Modifications outlined in Attachment 18 (Quarterly Reporting Modifications Requirements) for inclusion in the LEADER System Software. Appropriate CONTRACTOR and COUNTY representatives shall participate in these sessions to discuss, determine, and define the LEADER System requirements for the Quarterly Reporting Modifications. At the conclusion of these sessions, CONTRACTOR shall provide a detailed Requirements Specifications Document for the Quarterly Reporting Modifications that will enable COUNTY to validate that the requirements are complete and in accordance with decisions made during JAD sessions, and have been understood by CONTRACTOR. The format to be used for the Quarterly Reporting Modifications Requirements Specifications Document is in Attachment 19 (Quarterly Reporting Modifications Requirements Specifications Document Format).

Additionally, CONTRACTOR shall estimate, by type (e.g., PowerBuilder, COBOL) and complexity, the number of programs and tables to be added or changed as a result of the Quarterly Reporting Modifications.

**A4.14.2 SUBDELIVERABLE 14.2.1 -- REQUIREMENTS
SPECIFICATIONS DOCUMENT FOR QUARTERLY REPORTING
MODIFICATIONS**

CONTRACTOR shall complete Subtask 14.2 and deliver to COUNTY's Project Director for approval the Requirements Specifications Document for Quarterly Reporting Modifications in accordance with Subtask 14.2 and the Project Control Document and in the format specified in Attachment 19 (Quarterly Reporting Requirements Specifications Document Format).

**AMENDMENT NUMBER SEVEN
TO LEADER AGREEMENT WITH UNISYS
(COUNTY OF LOS ANGELES AGREEMENT NUMBER 68587)**

EXHIBIT A - STATEMENT OF WORK

**A4.14.2 SUBDELIVERABLE 14.2.2 — ESTIMATED COMPLEXITY
AND SIZING DATA REPORT FOR QUARTERLY REPORTING
MODIFICATIONS**

CONTRACTOR shall complete Subtask 14.2 and deliver to COUNTY's Project Director for approval the Complexity and Sizing Data Report for Quarterly Reporting Modifications in accordance with Subtask 14.2 and the Project Control Document.

**A4.14.3 SUBTASK 14.3 -- COMPLETE THE QUARTERLY
REPORTING MODIFICATIONS DESIGN SPECIFICATIONS FOR THE
LEADER SYSTEM**

CONTRACTOR shall document the design specifications for each of the COUNTY-approved requirements developed in Subtask 14.2 in sufficient detail to support coding of the changes to the LEADER System Software. CONTRACTOR shall base the Design Specifications Document for Quarterly Reporting Modifications on Attachment 20 (Quarterly Reporting Modifications Design Specifications Document Format).

**A4.14.3 SUBDELIVERABLE 14.3 -- DESIGN SPECIFICATIONS
DOCUMENT FOR QUARTERLY REPORTING MODIFICATIONS**

CONTRACTOR shall complete Subtask 14.3 and deliver to COUNTY's Project Director for approval the Design Specifications Document for Quarterly Reporting Modifications in accordance with Subtask 14.3 and the Project Control Document, and in the format specified in Attachment 20 (Quarterly Reporting Modifications Design Specifications Document Format).

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TO LEADER AGREEMENT WITH UNISYS
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EXHIBIT A - STATEMENT OF WORK

A4.14.4 SUBTASK 14.4 -- CODE AND UNIT TEST THE QUARTERLY REPORTING MODIFICATIONS

CONTRACTOR shall code and unit test the Quarterly Reporting Modifications based on the requirements and design approved in Subtasks 14.2 and 14.3. CONTRACTOR shall update Subdeliverable 2.4.1 (Source Code and Load Modules) and Subdeliverable 2.4.2 (Job Control Language (JCL) Procedures), as appropriate, to incorporate all changes developed in Task 14.0 (Quarterly Reporting Modifications and Additional Central Site Processing Resources to Implement and Support EBT).

A4.14.4 SUBDELIVERABLE 14.4 -- CODE AND UNIT TEST THE QUARTERLY REPORTING MODIFICATIONS

CONTRACTOR shall complete Subtask 14.4 and deliver the required documentation for Quarterly Reporting Modifications to COUNTY's Project Director in accordance with the Project Control Document.

A4.14.5 SUBTASK 14.5 -- CONDUCT SYSTEM AND REGRESSION TESTING FOR THE QUARTERLY REPORTING MODIFICATIONS

CONTRACTOR shall perform LEADER System testing to systematically test all new functionality required by the Quarterly Reporting Modifications and record and track all testing activities, including, without limitation, the correction and retesting of reported software discrepancies, and evaluate the test outcomes. CONTRACTOR shall document the software discrepancies and other errors detected, maintain an automated error tracking log, and document corrective actions taken. Tests shall be constructed to evaluate whether the Quarterly Reporting Modifications changes meet all of the COUNTY-approved Specifications as described in Subtask 14.3 (Complete the Quarterly Reporting Modifications Design Specifications for the LEADER System).

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EXHIBIT A - STATEMENT OF WORK

Additionally, CONTRACTOR and COUNTY shall perform regression testing for those subsystems of the LEADER System Software that are impacted by the Quarterly Reporting Modifications.

CONTRACTOR shall provide to COUNTY copies of all test results and outcomes and corrective actions taken during the system and regression testing of the Quarterly Reporting Modifications and the LEADER System.

CONTRACTOR shall also calculate, by type (e.g., PowerBuilder, COBOL) and complexity, the actual number of programs and tables added or changed as a result of the Quarterly Reporting Modifications.

**A4.14.5 SUBDELIVERABLE 14.5.1 — SYSTEM AND REGRESSION
TEST REPORTS FOR QUARTERLY REPORTING MODIFICATIONS**

CONTRACTOR shall complete and provide to COUNTY a System and Regression Test Report for the Quarterly Reporting Modifications as documentation to support successful completion of Subtask 14.5. The System and Regression Test Report shall be comprised of a list of all of the scenarios executed, the results, and a list of any identified errors, and corrective actions taken. Upon COUNTY's approval of Subdeliverable 14.5.1, CONTRACTOR shall install such Quarterly Reporting Modifications into the LEADER System production environment in accordance with the Project Control Document.

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EXHIBIT A - STATEMENT OF WORK

**A4.14.5 SUBDELIVERABLE 14.5.2 — ACTUAL COMPLEXITY AND
SIZING DATA REPORT FOR QUARTERLY REPORTING
MODIFICATIONS**

CONTRACTOR shall complete Subtask 14.5 and deliver to COUNTY's Project Director for approval the Complexity and Sizing Data Report for Quarterly Reporting Modifications in accordance with Subtask 14.5 and the Project Control Document.

**A4.14.6 SUBTASK 14.6 — LEADER SYSTEM QUARTERLY
REPORTING DISK STORAGE SPACE FOR THE CENTRAL SITE**

CONTRACTOR shall provide additional LEADER System Quarterly Reporting disk storage space and tape cartridges for the Central Site, as identified in Schedule V (LEADER System Quarterly Reporting Disk Storage Space for the Central Site Schedule of Payment) of Exhibit G (Schedule of Payments), to support the Quarterly Reporting Modifications through the Initial Term and any Extended Term of the LEADER Agreement. The additional LEADER System Quarterly Reporting disk storage shall include, at a minimum, the items specified on Schedule V (LEADER System Quarterly Reporting Disk Storage Space for the Central Site Schedule of Payments) to support the required Quarterly Reporting disk utilization. Further, Contractor shall provide any and all miscellaneous peripheral hardware and other materials required to install, use, maintain, support and replace, if necessary, such items listed in Schedule V (LEADER System Quarterly Reporting Disk Storage Space for the Central Site Schedule of Payments).

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EXHIBIT A - STATEMENT OF WORK

**A4.14.6.1 SUBDELIVERABLE 14.6 -- LEADER SYSTEM QUARTERLY
REPORTING DISK STORAGE SPACE FOR THE CENTRAL SITE**

CONTRACTOR shall complete Subtask 14.6 and provide to COUNTY a written certification that the additional LEADER System Quarterly Reporting disk storage space for the Central Site has been successfully installed and is fully functional in accordance with Subtask 14.6.

**A4.14.7 SUBTASK 14.7 -- PROVIDE ADDITIONAL CENTRAL SITE
PROCESSING RESOURCES TO IMPLEMENT AND SUPPORT EBT**

CONTRACTOR shall provide additional Central Site Facilities Management/Operations processing resources, including, without limitation, disk and tape storage, file transfer protocol (FTP) servers, network devices, and labor required to implement and support EBT, commencing January 1, 2004 and for the remainder of the Initial Term of the LEADER Agreement.

**A4.14.7.1 SUBDELIVERABLE 14.7 -- ADDITIONAL CENTRAL SITE
PROCESSING RESOURCES TO IMPLEMENT AND SUPPORT EBT**

CONTRACTOR shall complete Subtask 14.7 and provide to COUNTY a written certification that all resources, including, without limitation, disk and tape storage, file transfer protocol (FTP) servers, network devices, and labor, have been added to the Facilities Management/Operations, and are fully functional as required to implement and support EBT, commencing January 1, 2004 and for the remainder of the Initial Term of the LEADER Agreement.

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ATTACHMENT 4 - PROJECT ASSUMPTIONS

**PROJECT ASSUMPTIONS FOR QUARTERLY REPORTING MODIFICATIONS
UNDER AMENDMENT NUMBER SEVEN**

1. Once COUNTY has approved a Requirements Specifications Document and Design Specifications Document, that approach for such task is "frozen." "Frozen" means that no new substantial initiatives, enhancements or policy changes will be included as part of the current task project scope other than in accordance with Paragraph 49.0 (Modification Notices and Amendments) of the Base Agreement.
2. On a monthly basis, CONTRACTOR and COUNTY will meet to review the status of the Quarterly Reporting Modifications. CONTRACTOR shall provide COUNTY a written status update at the scheduled monthly meetings. Should a change in the scope of work be recommended or requested by either CONTRACTOR or COUNTY, both CONTRACTOR and COUNTY will render a final decision not later than four (4) Working Days after the parties consider the change. Should a project delay or change in scope of work cause a work extension to be recommended or requested by either CONTRACTOR or COUNTY, a final decision on how to proceed will be rendered by both CONTRACTOR and COUNTY within ten (10) Working Days. If no final decision is reached within ten (10) Working Days, either party may submit for dispute resolution under Paragraph 39.0 (Dispute Resolution) of the Base Agreement. If COUNTY and CONTRACTOR determine that an extension or change in scope of work is appropriate, a Modification Request will be initiated in accordance with Paragraph 49.0 (Modification Notices and Amendments) of the Base Agreement.
3. COUNTY AND CONTRACTOR have agreed that any Amendment Number Seven work activities to be performed by CONTRACTOR other than those specified in Exhibit A (Statement of Work) or in Attachment 18 (Quarterly

**AMENDMENT NUMBER SEVEN
TO
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ATTACHMENT 4 - PROJECT ASSUMPTIONS

Reporting Modifications Requirements) to Exhibit A (Statement of Work) will be considered in good faith by the parties through the current Modification Request procedures set forth in Paragraph 49.0 (Modification Notices and Amendments) of the Base Agreement.

4. CONTRACTOR and COUNTY agree that COUNTY will provide adequate space for up to thirty-five (35) CONTRACTOR Facilities Management/Operations staff (including subcontractor staff of CONTRACTOR) performing activities and service as described in this Amendment Number Seven. Such space shall be provided at the LEADER Project Management Office described in Section 15 (Co-location of Certain COUNTY and CONTRACTOR Staff During the Operational Period) of Attachment 5 (Technical Clarifications). Such thirty-five (35) CONTRACTOR Facilities Management/Operations staff shall be provided such space, telephone services, and utilities at such facility at no cost to CONTRACTOR. CONTRACTOR has not included in the price of this Amendment Number Seven any facility/occupancy costs for such space. COUNTY will make such space available to CONTRACTOR in sufficient time for CONTRACTOR to prepare and equip the site necessary for CONTRACTOR's work activities described herein, but in no event less than ten (10) Working Days following the effective date of this Amendment Number Seven.
5. CONTRACTOR will continue to provide COUNTY with project management activities, such as quality assurance, risk management, configuration management, database administration, performance assessment, requirements tracking, etc., as established during the LEADER System software development phase of the LEADER Project.
6. COUNTY and CONTRACTOR test teams, working jointly, shall copy live cases, from the LEADER System production environment to the LEADER System testing environment for the Central Site in order to obtain a more diverse mix of

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ATTACHMENT 4 - PROJECT ASSUMPTIONS

test cases. The number of live cases to be copied will be determined jointly by COUNTY and CONTRACTOR based on each test scenario.

QUARTERLY REPORTING MODIFICATIONS SPECIFIC ASSUMPTIONS

General Assumptions

1. The estimate for analysis, design and implementation of database changes has been included in the time estimates.
2. Any software utilities needed to update existing data as a result of this change are included in the scope of the Quarterly Reporting Modifications Statement of Work.
3. The Requirements Specifications and Design Specifications processes will also include changes to the laptop version of the LEADER System Software.

Data Collection

1. The procurement and installation of any software and hardware required to develop the Quarterly Reporting help screens for the new and modified online screens has not been included in the scope of the Quarterly Reporting Modifications Statement of Work. However, CONTRACTOR shall, in collaboration with the COUNTY, develop the narrative for the help screens.
2. RoboHelp software will be utilized by the COUNTY to develop the Quarterly Reporting help screens. The RoboHelp software version must be compatible with the current version of the Microsoft WORD software installed in any developer workstations used by CONTRACTOR to develop the narrative for the Quarterly Reporting help screens.

Training

Computer-based training and training of DPSS staff are outside the scope of the Quarterly Reporting Modifications Statement of Work.

LEADER OPERATIONAL PHASE
AMENDMENT NUMBER SEVEN
TO LEADER AGREEMENT WITH UNISYS
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ATTACHMENT 18
QUARTERLY REPORTING MODIFICATIONS REQUIREMENTS

AMENDMENT NUMBER SEVEN
QUARTERLY REPORTING MODIFICATIONS REQUIREMENTS

LEADER System Software Modifications

CONTRACTOR shall make the necessary modifications and enhancements to the LEADER System Software to incorporate the following Amendment Number Seven Quarterly Reporting Modifications identified by COUNTY.

Detailed Amendment Number Seven Quarterly Reporting Modifications Requirements were provided to CONTRACTOR in the following LEADER System Modification Request: Modification Request No. 142 (Formal Correspondence Control Number FC-02759 (Errata), dated August 21, 2003) regarding Quarterly Reporting.

Using the requirements provided to CONTRACTOR by COUNTY in Formal Correspondence Control Number FC-02759 (Errata), Modification Request No. 142, dated August 21, 2003, the LEADER System Software shall be modified to incorporate the Quarterly Reporting Modifications to replace the current Monthly Reporting/Retrospective Budgeting (MRRB) system with Quarterly Reporting/Prospective Budgeting (QR/PB) system for the Food Stamps, CalWORKs, General Relief (GR), and Refugee Cash Assistance (RCA) programs.

The Quarterly Reporting changes will apply to all CalWORKs cases, GR cases, RCA cases, and Food Stamp households with the exception of existing non-monthly reporting households. This change will not impact non-reporting (also known as change

LEADER OPERATIONAL PHASE
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ATTACHMENT 18
QUARTERLY REPORTING MODIFICATIONS REQUIREMENTS

reporting) Food Stamp households who are still only required to report changes if and when they occur.

Major features of the new QR/PB system include the following:

- Recipients will be required to submit an income/eligibility report once per quarter (in the third month of the quarter known as the submit month). Data reported on Quarterly Eligibility Report (QR7) form, which is the form that replaces the current CW7 form, should include all changes that occurred in the case over the first and second month of the quarter.
- Recipients will have limited mandatory reporting requirements during the quarter. Eligibility and benefits for a three-month period will be based on information provided on the QR7 form and will be determined using prospective budgeting.

Attachment 19 -- Quarterly Reporting Modifications

Requirements Specifications Document Format

Change # <#>

**<TITLE>
(<Program>)
REQUIREMENTS**

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Attachment 20 -- Quarterly Reporting Modifications

Design Specifications Document Format

Change # <#>

<TITLE>
(<Program>
Design

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LEADER OPERATIONAL PHASE
Quarterly Reporting Modifications Deliverables
Schedule of Payments - Schedule U

<i>Deliverable</i>	<i>Maximum Price</i>	<i>Withhold Amount</i>	<i>Maximum Balance Due</i>
14.1 Project Control Document for Task 14.0	\$1,500,000.00	\$225,000.00	\$1,275,000.00
14.2.1 Requirements Specifications Document for Quarterly Reporting Modifications	\$1,088,702.00	\$163,305.00	\$925,397.00
14.2.2 Estimated Complexity and Sizing Data Report for Quarterly Reporting Modifications	\$0.00	\$0.00	\$0.00
14.3 Design Specifications Document for Quarterly Reporting Modifications	\$1,088,702.00	\$163,305.00	\$925,397.00
14.4 Code and Unit Test the Quarterly Reporting Modifications	\$1,088,702.00	\$163,305.00	\$925,397.00
14.5.1 System and Regression Test Reports for Quarterly Reporting Modifications	\$3,381,086.00	\$507,164.00	\$2,873,922.00
14.5.2 Actual Complexity and Sizing Data Report for Quarterly Reporting Modifications	\$0.00	\$0.00	\$0.00
Totals	\$8,147,192.00	\$1,222,079.00	\$6,925,113.00

**LEADER System Quarterly Reporting Disk Storage Space
for the Central Site**

Schedule of Payments - Schedule V

***One-Time-Only Payment**

\$23,979.00

Establish LEADER System Quarterly Reporting disk storage and tape cartridges for Central Site which shall include, at a minimum, the following:

Enterprise Server Mass Storage

EMC 73 GB Mirrored Disk	1 @ \$10,050.00 ea.	\$10,050
EMC 181 GB Mirrored Disk Storage	2 @ \$4,372.50 ea.	\$8,745
Tape Cartridges	24 @ \$216.00 ea.	\$5,184

*This payment covers all of the installation, operation, maintenance and support of equipment and other items through the Initial Term and any Extended Term of this Agreement.

Electronic Benefit Transfer Facilities Management/Operations

Schedule of Payments - Schedule W

Initial Term Month	*EBT		*Fixed Monthly Rate
	Facilities Management/Operations Month	Month	
33		Jan-04	\$75,712.38
34		Feb-04	\$75,712.38
35		Mar-04	\$75,712.38
36		Apr-04	\$75,712.38
37		May-04	\$75,712.38
38		Jun-04	\$75,712.38
39		Jul-04	\$75,712.38
40		Aug-04	\$75,712.38
41		Sep-04	\$75,712.38
42		Oct-04	\$75,712.38
43		Nov-04	\$75,712.38
44		Dec-04	\$75,712.38
45		Jan-05	\$75,712.38
46		Feb-05	\$75,712.38
47		Mar-05	\$75,712.38
48		Apr-05	<u>\$75,712.38</u>
Total			\$1,211,398.08

*Contractor shall submit monthly invoices, in arrears, for the months and Fixed Monthly Rates as shown on this Schedule W.